

Indiana Regional NO_x Control Plan Recommendations

Indiana recommends that EPA's final action on regional transport of ozone contain the following measures:

1. NO_x Emission Budget

Establish a statewide budget or cap on nitrogen oxide emissions from electric power plants and large industrial boilers (>250 mmbtu/hr) for each affected state. The cap should be determined using the assumption of a 0.25 lbs/mmbtu NO_x emission rate projected to the year 2007 for electric power plants and a 55% NO_x reduction from 1990 levels for large industrial boilers.

The NO_x emission caps will facilitate the development of a regional NO_x emission trading program. Other NO_x sources included in EPA's proposed statewide NO_x budgets should not be included pending improvement of available emissions information, completion of further study regarding the feasibility of reducing emissions and deference to state implementation plan development for the new ozone standard.

The NO_x budget should be effective prior to the year 2003 ozone season. A state should have the authority to provide a compliance date extension for an affected source if it adequately demonstrates that compliance by the year 2003 will severely and unavoidably jeopardize the electric utility industry's ability to provide reliable power or that control devices are unavailable.

2. NO_x Emission Trading

Finalize a model federal trading program for possible adoption by states, consistent with the goal of facilitating free trading and minimizing control costs. A state may negate a trade if it is determined that the trading between non-adjacent states will undermine a state's plan to meet clean air standards. The scope and limitations on a trading program should be revisited after completion of the state clean air plans due by 2003.

3. Air Quality Assessments

Require affected states to complete by July 2001 an assessment of the degree of pollution reduction needed to meet the ozone standards within each state. In this assessment, states should evaluate the efficacy and costs of further controls on electric power plants (and large industrial boilers) at a 0.20 lbs/mmBtu and 0.15 lbs/mmBtu NO_x emission rate projected to 2007.

The assessments should be provided to EPA and to the public. Based on this and other information, states should complete their State Implementation Plans for each area designated as nonattainment for the new ozone standard by the required date in 2003. The plans should identify any control measures needed to be taken by another state to solve the local air quality problem beyond that included in the regional control program.

4. State Implementation Plan Revision

Require states to complete rules to implement the NO_x emission budget and the emission trading program (if chosen) and finalize a schedule for further assessments within one year of the final EPA action on regional transport. This aggressive schedule will assure that further NO_x emission reductions occur as quickly as possible.

5. EPA Actions

If a state fails to

- * submit a regional transport State Implementation Plan in 1999,**
- * complete the required air quality assessments,**
- * include the required elements in the plan or the assessments, or**
- * submit the required State Implementation Plan for the new ozone standard in 2003,**

EPA should use its authority to promulgate necessary measures based on the state's air quality assessments and any other information available.